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C A N A D I A N B O O K P U B L I S H E R S ' C O U N C I L

To The Ontario Committee on Taxation

Gentlemen:

I am directed by the Canadian Book Publishers' Council, which represents most publishers of books in the English language in this country, to express to you our concern at the possibility that the retail sales tax might be levied on books, whether textbooks or general books.

The cultural and intellectual heritage of this nation, and of that western civilization of which it is a part, is embodied more completely, preserved more lastingly, and transmitted more effectively through books than through any other medium. Their use, both in the process of formal education and for recreation, is of incalculable value to a society that is increasingly demanding better-informed and more creative citizens. Hence any measure that tends to obstruct the circulation of books is, in our view, contrary to the public interest.

It may be felt that the addition of a small percentage to the prices of books in the form of a tax will not have this effect. We submit that it will, on the following grounds.

The prices of school textbooks are necessarily kept to the lowest level possible, to the point where every textbook publisher launching a new book is taking an extremely large risk; he cannot in fact hope to recover his investment without a very large total sale indeed, which may take years to attain. Even so, a glance at the newspapers any September will show that there is considerable public and official pressure to reduce prices still further.

Textbooks reach pupils in a number of different ways. Some are purchased by Boards of Education from publishers or wholesalers, with the help of provincial grants, for free distribution; some are purchased by boards for resale; and some are purchased by commercial retailers for resale. The administrative complexities of a sales tax in these circumstances would doubtless prove expensive to all concerned. Even, there-

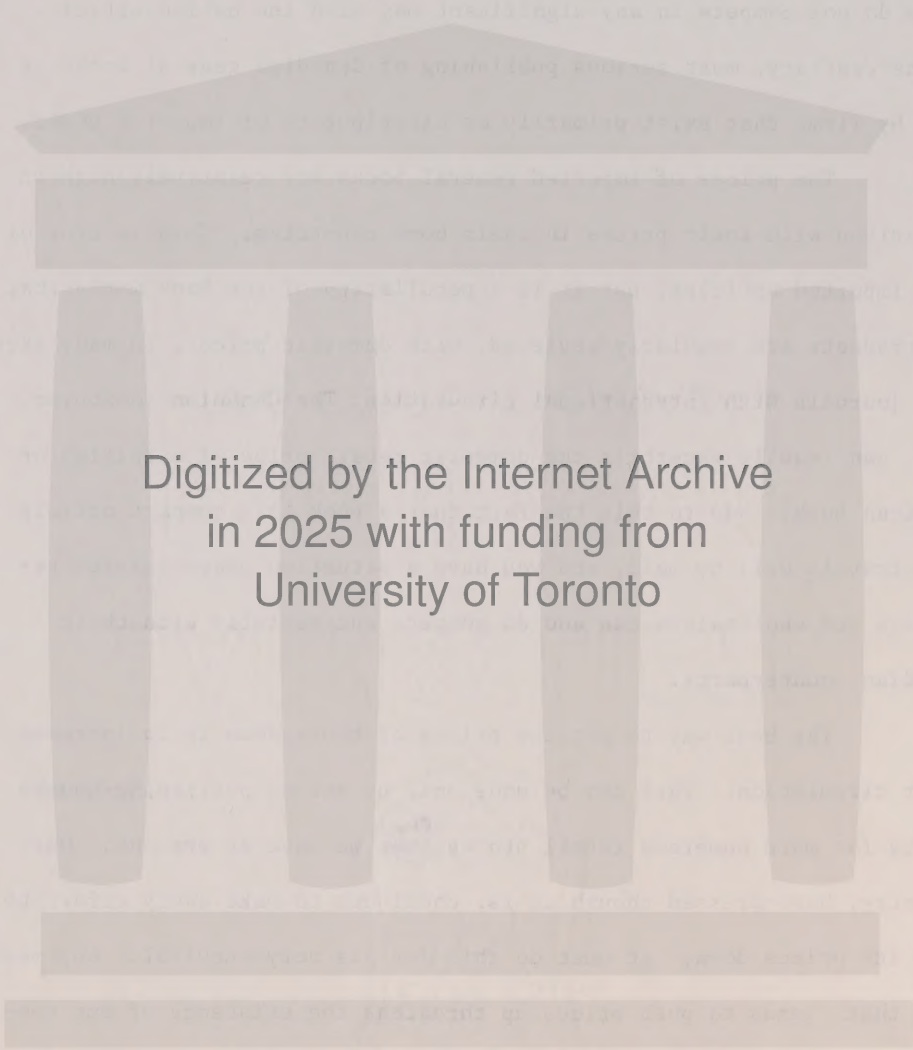
fore, with the exemption from sales tax of direct sales to schools and school boards, the tax would tend to increase the prices of all school-books - and, indeed, of all books.

Textbooks for Canadian schools are mostly of Canadian origin. The great majority of general books - by which we mean the kind that are normally displayed in retail bookshops - are naturally imported, since most of the world's literature is written outside our borders. Imported books do not compete in any significant way with the native article. On the contrary, most serious publishing of Canadian general books is done by firms that exist primarily as distributors of imported books.

The prices of imported general books are relatively high in comparison with their prices in their home countries. This is true of most imported articles, but it is a peculiarity of the book world that its products are regularly reviewed, with domestic prices, in many excellent journals with international circulation. The Canadian bookbuyer, then, can readily ascertain the domestic retail price of a British or American book. Add to this the fact that a book is a compact article that travels well by mail, and you have a situation where outside retailers and wholesalers can and do compete successfully with their Canadian counterparts.

The best way to get the prices of books down is to increase their circulation. This can be done only by strong publishing-houses and by far more numerous retail stores ~~that~~ than we have at present. Our industry, hard-pressed though it is, continues to make every effort to keep its prices down; it must do this for its very survival. Any measure that tends to push prices up threatens the existence of our too-few retail stores and jeopardizes the continued publication of Canadian books.

It is expected that Canada will soon adhere to the Florence Agreement, whose signatories pledge themselves to abolish all duties on books crossing national boundaries. A retail sales tax on books, while not contrary to the letter of this agreement, is clearly contrary to its spirit, as is any measure that restricts or handicaps the free flow of books.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Our industry is very small in dollar volume compared with its value to society. We are bound to oppose the imposition of a tax that would be detrimental to the public interest and would contribute relatively little to the public purse.

Respectfully submitted.

I. M. Owen
President
Canadian Book Publishers' Council